



Brunswick Pulp Land Company

POST OFFICE BOX 860 • BRUNSWICK, GEORGIA 31521 • TELEPHONE 912/265-5780

Recorded:

April 18, 1988

J Deed Book - 85

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Mr. Doug Duskin
Amselco Mineral, Inc.
P. O. Box 891
Camden, SC 29020

ORIGINAL

Dear Doug:

Enclosed is the original of the Memorandum of Exploration between Amselco and Brunswick.

Sorry for the delay.

Very truly yours,

[Signature]
Kenneth N. Gay
Research & Wood Resource
Manager

KNG/ss

Enclosure

cc: J. M. Jungkurth



10755212

MEMORANDUM OF EXPLORATION AND MINING LEASE
WITH PURCHASE AND SURFACE-USE OPTIONS

NOTICE IS HEREBY GIVEN that SCOTT TIMBER COMPANY, a Delaware corporation, duly qualified to conduct business in the State of South Carolina (hereinafter referred to as "Scott") and MEAD TIMBER COMPANY, a Delaware corporation, duly qualified to conduct business in the State of South Carolina (hereinafter referred to as "Mead"), Mead and Scott conducting business in the State of Georgia in the name and style of BRUNSWICK PULP LAND COMPANY, whose address is Post Office Box 860, Brunswick, Georgia, 31521 all of which are hereinafter collectively referred to as "Brunswick;" and AMSELCO MINERALS INC., a Delaware corporation whose address is 999 Eighteenth Street, Suite 1201, Denver, Colorado, 80202 (therein and hereinafter referred to as "Amselco"), have entered into an Exploration and Mining Lease ("hereinafter referred to as "Lease"), effective as of the 20th day of November, 1987, with respect to the real property described in Appendix 1 attached hereto and by this reference made a part hereof, which real property is therein and hereinafter referred to as the "Leased Property." The total acreage of the Leased Property shall be deemed to be eight hundred and thirty-seven and 29/100ths (837.29) acres until such time as Amselco may reduce its holdings of the Leased Property pursuant to the Lease or until such time as a more accurate survey of the Leased Property shall disclose a greater or lesser acreage constituting the Leased Property hereby leased.

Under the terms of the Lease, Brunswick has granted, demised, leased and let exclusively to Amselco and its successors and assigns, the sole and exclusive right and privilege to explore and prospect for, develop, leach in place, mine (by any surface or subsurface method), treat, mill, prepare for market, store, market, ship, and remove from the Leased Property for its own account all ores, minerals and mineral products containing metals and excepting any coal, lignite, peat, oil, gas and all other solid, liquid and gaseous hydrocarbons and geothermal steam and associated resources, including heat, upon, within or

beneath the Leased Property. The above-described ores, metals, minerals and mineral products subject to this Lease are hereinafter referred to as the "Subject Minerals." Said terms include all mineral rights and water rights for the purposes of exploration, development and mining of Subject Minerals.

The term of the Lease is for a primary period of five (5) years from the effective date of the Lease and so long thereafter as Amselco continues to make certain payments to Brunswick, as more specifically set forth in the Lease.

Under the terms of the Lease, Brunswick has also granted and conveyed to Amselco, subject to certain conditions, the right to enter upon and occupy the Leased Property with workmen, structures and equipment; the right to construct, use, maintain, repair, replace and relocate buildings, roads, tailings ponds, waste dumps, ditches, pipelines, power and communication lines, structures, mills, processing facilities, utilities and other improvements and facilities reasonably required by or useful to Amselco for the full enjoyment of the Leased Property for the purposes set forth in the Lease; the right to use so much of the Leased Property as may reasonably be necessary, convenient or suitable for the storage and/or permanent disposal of wastes, residues, tailings or other by-products of development, production or other operations on the Leased Property or adjoining or nearby property owned or controlled by Amselco; the right to use easements and all rights-of-way for ingress and egress to and from the Leased Property to which Brunswick may be entitled; the right to use timber, soil, rocks, sand, clay, gravel, stone, earth and water from or appurtenant to the Leased Property (to the extent Brunswick can lawfully grant such right) if necessary or desirable for Amselco's exploration, development or mining operations on the Leased Property; the right to drain through and from the Leased Property and to draw into any course in, upon or under the Leased Property any water from operations conducted thereon or on other properties owned, worked or leased by Amselco; the free and uninterrupted right of Amselco and its

authorized agents of ingress and egress to, through, under, upon and from the Leased Property for said purposes; the privilege of moving materials of every kind across, under or through the Leased Property, of moving such materials from the Leased Property to other lands in the area and of milling and preparing for market ores, metals, minerals and mineral products containing Subject Minerals derived from the Leased Property or from other lands in mills or plants on the Leased Property or on other lands, separately or commingled, as Amselco may elect; and all other rights and privileges of any nature necessary or convenient in order to exercise any of Amselco's rights under the Lease.

Brunswick also grants Amselco the right, subject to certain payment conditions, to the exclusive use and occupancy of the surface of the Leased Property for open pit mining, construction and operation of a mill or other processing facility, construction and operation of tailings disposal areas, or construction of any other substantial improvement on or use of the Leased Property which may preclude or materially impair use of the surface of the Leased Property for other purposes, and to obtain the right, title and interest in the surface estate to the tracts of land so used. Brunswick also grants Amselco the right, subject to certain payment and repair obligations, to damage buildings, structures, improvements, timber or growing crops on the Leased Property.

Any assignment of interest under the Lease shall be made expressly subject to the Lease and shall require the assignee to assume and agree in writing to perform all of the obligations of the assignor under the Lease as relates to the interest assigned. In case of assignment by mortgage, however, such assumption of obligations shall not be required, but should such mortgage be foreclosed, the purchaser on foreclosure shall take subject to the Lease. No assignment shall be effective as between the parties until delivery to the non-assigning party of satisfactory evidence of such assignment. The provisions of the Lease shall inure to the benefit of and be binding upon the

parties and their respective heirs, executors, administrators, personal representatives, beneficiaries, successors and assigns.

The Lease is incorporated herein by this reference and made a part hereof. Copies of the Lease are in the possession of the parties at the addresses shown on the first page of this Memorandum.

IN WITNESS WHEREOF, this MEMORANDUM OF EXPLORATION AND MINING LEASE has been executed under seal this 13th day of April, 1988.

SCOTT TIMBER COMPANY

By: [Signature]

Employer ID#: 23-1915464

Attest: W. F. B. J.

Secretary

Witness: [Signature]

Witness: Burnell Williams

MEAD TIMBER COMPANY

By: [Signature]

Employer ID#: 31-0841004

Attest: W. F. B. J.

Secretary

Witness: [Signature]

Witness: Burnell Williams

Collectively: "Brunswick"

AMSELCO MINERALS INC.

By: [Signature]

A.P. Taylor

General Manager, Exploration

Attest: [Signature]

Richard E. Pierce

Assistant Secretary

Witness: [Signature]

Witness: Walter Meyer

STATE OF Georgia)
COUNTY OF Glenn) ss. PROBATE

PERSONALLY APPEARED before me Kenneth N. Gay,
who, being duly sworn, states that (s) he saw the corporate seal
of Scott Timber Company affixed to the foregoing instrument and
that (s) he also saw C. H. Martin Jr., the Vice President
and W. E. Burns Jr., the Asst. Secretary & Asst. Treasurer
of said corporation, sign and attest the same and that (s) he
with Burnell Williams witnessed the execution and
delivery thereof as the act and deed of said corporation.

Kenneth N. Gay

Sworn to before me this
13th day of April, 1988

Helene Shaw Stallard
Notary Public for Georgia State-at-Large

My Commission Expires:

7-7-90

STATE OF Georgia)
COUNTY OF Glenn) ss. PROBATE

PERSONALLY APPEARED before me Kenneth N. Gay,
who, being duly sworn, states that (s) he saw the corporate seal
of Mead Timber Company affixed to the foregoing instrument and
that (s) he also saw C. H. Martin Jr., the Vice President
and W. E. Burns Jr., the Asst. Secretary & Asst. Treasurer
of said corporation, sign and attest the same and that (s) he
with Burnell Williams witnessed the execution and
delivery thereof as the act and deed of said corporation.

Kenneth N. Gay

Sworn to before me this
13th day of April, 1988

Helene Shaw Stallard
Notary Public for Georgia State-at-Large

My Commission Expires:

7-7-90

STATE OF Nevada)
COUNTY OF Washoe) ss. PROBATE

PERSONALLY APPEARED before me Walter C. Meyers,
who, being duly sworn, states that (s)he saw the corporate seal
of Amselco Minerals Inc. affixed to the foregoing instrument and
that (s)he also saw A. P. Taylor, the General Manager, Exploration,
sign the same and that (s)he with Richard D. Monhead
witnessed the execution and deliver thereof as the act and deed
of said corporation.

Richard D. Monhead

Sworn to before me this
4th day of April, 1983

Walter C. Meyers
Notary Public for Nevada

My Commission Expires:

December 1, 1986

APPENDIX 1

To Memorandum of Exploration and Mining Lease Between
Brunswick Pulp Land Company and Amselco Minerals Inc.

Dated: _____

DESCRIPTION OF PREMISES

Appendix 1 for the purpose of this Memorandum of Exploration and Mining Lease includes four parcels of land totalling 837.29 acres.

Parcel No. 1

All that piece, parcel, or tract of land situate, lying, and being in the County of McCormick, State of South Carolina, containing 308.64 acres, more or less, being bounded as follows: on the North by lands of Continental Augusta Woodlands, Charlie Edmunds, and S. L. and G. J. Sanders, Sr.; on the South by lands of Rainsford, the United States Forest Service, and Catawba Timber Company; on the East by lands now or formerly of Gary Jennings Dorn, Sr., and Catawba Timber Company; and on the West by lands of the United States Army Corps of Engineers and Palmetto Production Credit Association. For a more particular description of said tract, reference is made to a plat recorded in the Office of the Clerk of Court for McCormick County, South Carolina, in Plat Book 7, Page 35. This parcel is designated as Tract No. McC-2-29 as described on Exhibit A on two deeds dated December 31, 1973, between Brunswick Pulp and Paper Company as Grantor and Mead Timber Company and Scott Timber Company as Grantees, recorded in Deed Book 34, Pages 244-245, in the Office of the Clerk of Court for McCormick County, South Carolina.

Parcel No. 2

All that piece, parcel, or tract of land situate, lying, and being in the County of McCormick, State of South Carolina, containing 88.05 acres, more or less, being bounded as follows: on the North by lands of Rainsford and Catawba Timber Company; on the South by lands of W. J. Bruce and M. R. Coulter; on the East by lands of C. D. and C. S. Wilkie; and on the West by County Road S-33-44. For a more particular description of said tract, reference is made to a plat recorded in the Office of the Clerk of Court for McCormick County, South Carolina, in Plat Book 7, Page 37. This parcel is designated as Tract No. McC-2-31 as described on Exhibit A on two deeds dated December 31, 1973, between Brunswick Pulp and Paper Company as Grantor and Mead Timber Company and Scott Timber Company as Grantees, recorded in Deed Book 34, Pages 244-245, in the Office of the Clerk of Court for McCormick County, South Carolina.

Parcel No. 3

All that piece, parcel, or tract of land situate, lying, and being in the County of McCormick, State of South Carolina, containing 94.54 acres, more or less, being bounded as follows: on the North and East by lands of the United States Forest Service; on the Northwest by lands of Betty W. Dorn (et al.); and on the South and Southwest by lands of the United States Army Corps of Engineers. For a more particular description of said tract, reference is made to a plat recorded in the Office of the Clerk of Court for McCormick County, South Carolina, in Plat Book 7, Page 38. This parcel is designated as Tract No. McC-2-32 as described on Exhibit A on two deeds dated December 31, 1973, between Brunswick Pulp and Paper Company as Grantor and Mead Timber Company and Scott Timber Company as Grantees, recorded in Deed Book 34, Pages 244-245, in the Office of the Clerk of Court for McCormick County, South Carolina.

Parcel No. 4

All that piece, parcel, or tract of land situate, lying, and being in the County of McCormick, State of South Carolina, containing 346.06 acres, more or less, being bounded as follows: on the North by lands of McCormick Investment Company; on the South by lands of Virginia M. Dorn and Continental Augusta Woodlands; on the East by lands of Newty, Town of McCormick, James Dorn Estate, and E. R. Bentley Subdivision; and on the West by lands of Continental Augusta Woodlands, Lee Burch, and lands of Maurice White and Joe Luke. This parcel is located less than 1 mile south of the town of McCormick and is situated between South Carolina Highway 28 to the east and U. S. Highway 378 to the west. For a more particular description of said tract, reference is made to a plat recorded in the Office of the Clerk of Court for McCormick County, South Carolina, in Plat Book 7, Page 36. This parcel is designated as Tract No. McC-2-30 as described in Exhibit A on two deeds dated December 31, 1973, between Brunswick Pulp and Paper Company as Grantor and Mead Timber Company and Scott Timber Company as Grantees, recorded in Deed Book 34, Pages 244-245, in the Office of the Clerk of Court for McCormick County, South Carolina.

CLERK OF SOUTH CAROLINA
COUNTY OF Mccormick
Died for record APR 15 1988
A.D. 19 81 9200 800 2 4 10
and duly recorded in Book 85
of Deeds 77
Edith R. Harris
Clerk of Court
E. Harris
R M E

GILBERT, WHITTLE, HARRELL, SCARLETT & SKELTON

ATTORNEYS AND COUNSELORS AT LAW

FIRST FEDERAL PLAZA

777 GLOUCESTER STREET, SUITE 200

POST OFFICE BOX 190

BRUNSWICK, GEORGIA 31521-0190

912/265-6700

JOHN J. GILBERT
JAMES B. GILBERT
JOSEPH A. WHITTLE
WALLACE E. HARRELL
RICHARD M. SCARLETT
RALPH T. SKELTON, JR.
JAMES B. GILBERT, JR.
REES M. SUMERFORD
M. F. MARTIN, III
JAMES E. GRAHAM
M. LYNN FREY, III
TIMOTHY HARDEN, III
JAMESON L. GREGG
WALLACE E. HARRELL, III

JOS. W. BENNET (1887-1929)
F.E. TWITTY (1890-1927)
MILLARD REESE (1903-1955)

OF COUNSEL
L. J. BENNET

April 19, 1988

Mr. Kenneth N. Gay
Brunswick Pulp Land Company
Post Office Box 860
Brunswick, Georgia 31521

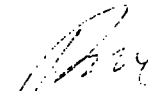
RE: Mead Timber Company and Scott Timber Company -
Exchange with Champion International Corporation

Dear Ken:

Enclosed is the original "Memorandum of Exploration and Mining Lease with Purchase and Surface Use Options" which has been recorded in the public records of McCormick County, South Carolina, in Deed Book 85, page 77.

With best wishes,

Yours very truly,



Ralph T. Skelton, Jr.

RTS, Jr./dma
Enclosure



Minerals America
4600 Keitzke Plaza
Reno, Nevada 89502
(702) 825-2772
FAX (702) 825-1977

BP MINERALS-AMERICA

APR 12 REC'D

Joseph Jungkurth
Vice President, Minerals
Scott Paper Company
Scott Plaza
Philadelphia, PA 19113

April 11, 1988

Dear Mr. Jungkurth,

Attached for your review and execution is a Memorandum for recording the Brunswick Lease on Barite Hill Project.

If you have any questions, please do not hesitate to contact me.

Sincerely,



RICHARD J. MOORHEAD
Land Manager

RJM:mb
Attachment
cc: D. Duskin
8/1.29